

## Finance Committee Meeting

### MINUTES

October 6, 2020

The Finance Committee of the Arts Council met via teleconference. The following are the minutes from that meeting.

Mr. Gorynski called the meeting to order at 2:50.

#### Roll Call

Present: Alec Gorynski (chair), Candy Henning, Sara Peetz

Absent: Wally Seiler

NAC Staff: Mike Markey, Suzanne Wise, Robin Richards

#### I. Approval of Minutes

The committee reviewed the minutes from the June 2, 2020 Finance Committee meeting. Mr. Gorynski asked if there were any additions or corrections. Hearing none, he asked for a vote to approve the minutes as written.

MOTION: Ms. Henning made a motion to approve the minutes from June 2, 2020 Finance Committee Meeting. Ms. Peetz seconded.

VOTE: The motion was approved by voice vote.

#### II. Review of Financial Statements for Fiscal Year 2019 (July 1, 2019 – June 30, 2020)

NAC internal accounting must reconcile with the State's accounting, published in the Allotment Status Report. Mr. Markey reported there was a \$17.45 credit to the Arts Council after the report was published. Other than that, the totals for all three programs agree with the Allotment Status Report.

The Administration expenditures detail (Programs 326 & 329) shows that, for the year, the agency expended \$813,414.00 or 89% of the annual budget. The Grants & Initiatives detail (Program 327) shows that for the year, the agency expended \$1,786,750.97 or 117% of the annual budget. Mr. Markey explained to the committee that the excess expenditures include CARES grants that were not included in the budget.

The Cultural Preservation Endowment Fund (CPEF) detail (Program 329) shows that expenses and drawdowns of earnings from the CPEF equal \$684,346.00.

MOTION: Ms. Peetz made a motion to recommended approving the Financial Statement for Fiscal Year 19 July 1, 2019 – June 30, 2020. Ms. Henning seconded.

VOTE: The motion to recommend the Financial Statement for Fiscal Year 19 July 1, 20 – June 30, 2020 was unanimously passed by voice vote.

#### III. Review Financial Statements for Fiscal Year 2020 (July 1, 2020 – August 31, 2020)

Mr. Markey presented the Financial Statements for FY20, to date. He started by explaining that there were changes to the agency budget brought about by passage of the state biennial budget in the special August session. The changes required amendments to the agency budget that will require approval by the Council:

The new budget increased the agency appropriation by \$15,000 in Program 326.

Program 327 now has a Cash Fund, created to facilitate income and expenses connected to the new License Plates and Cultural Districts Programs that were approved this year.

Finally, the administrative cash fund for Program 329 will increase to \$49,000, however in the current financial statements, it is still listed at \$30,000 because, at the time of publication, the bill had not yet been fully processed. Future budgets will include the additional \$19,000.

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Mr. Markey explained the changes to the agency's grant programs brought about by the COVID-19 pandemic:

Set-deadline grants had been restructured as virtual project grants. The agency granted out \$115,000.00 in federal CARES grants. The remaining funds were distributed to the BSG organizations and other arts organizations through Recovery Grants. The agency will reserve \$30,000 for future grant programming after January 1, 2021.

MOTION: Mr. Laughlin made a motion to recommend approving the financial statements and the new grant category recommendations as presented; Ms. Henning seconded.

VOTE: The motion to recommend was unanimously approved by voice vote.

#### **IV. Report on Biennial Budget Request**

Mr. Markey explained the state biennial budget request that was due, and was submitted, on September 15. The Council is asked to ratify the budget as submitted. Key elements funds to pay out Suzanne Wise upon her retirement in 2022 and increases to salaries and benefits, as directed by the union contract. The implementation of the funds for license plates is also included in the presentation to the committee.

MOTION: Ms. Henning recommended that the biennium budget request should be presented to the board as is; Ms. Peetz seconded.

VOTE: The motion to approve was unanimously approved by voice vote.

The meeting was adjourned at 3:08.